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RUDKRW/AMEMBASSY WARSAW IMMEDIATE 0000 RUDKRP/AMEMBASSY PRAGUE IMMEDIATE 0000

RUDKDA/AMEMBASSY BUDAPEST IMMEDIATE 0000

RUFHEB/AMEMBASSY BERLIN IMMEDIATE 0000

RUDKSA/AMEMBASSY SOFIA IMMEDIATE 0000

RUDKAR/AMEMBASSY BUCHAREST IMMEDIATE 0000

RUEHKO/AMEMBASSY TOKYO IMMEDIATE 0000

RUMJPG/AMEMBASSY BEIJING IMMEDIATE 0000

RUEHBAC/AMEMBASSY CANBERRA IMMEDIATE 0000

RUEHWL/AMEMBASSY WELLINGTON IMMEDIATE 0000

RUDKFMQ/AMEMBASSY STOCKHOLM IMMEDIATE 0000 RUDKHLG/AMEMBASSY HELSINKI IMMEDIATE 0000

RUEHVI/AMEMBASSY VIENNA IMMEDIATE 0000

RUDKEBQ/AMEMBASSY BERN IMMEDIATE 0000

RUFHMB/USDEL MBFR VIENNA IMMEDIATE 0000

RUEKJCS/ SECDEF WASHDC IMMEDIATE 0000

RUEKJCS/ JCS WASHDC IMMEDIATE 0000

RUEHDT/USMISSION USUN NEW YORK IMMEDIATE 0000

RUDKRB/AMEMBASSY BELGRADE IMMEDIATE 0000

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(LOU) POLITICAL SCENE-PLENUM OPENS: THE PARTY CENTRAL COMMITTEE AND SOLIDARITY'S NATIONAL COORDINATING COMMISS-IDN ARE BOTH HOLDING SESSIONS AGAINST THE BACKGROUND OF ACRIMONIOUS GOVERNMENT-SOLIDARITY PUBLIC EXCHANGES+ THREATS OF ADDITIONAL STRIKES, LIMITED USE OF MILITARY PATROLS TO CONTROL BLACK MARKET ACTIVITIES, ONGOING SOVIET MILITARY EXERCISES, AND A RECENT KULIKOV VISIT TO WARSAW. PARTY LEADER KANIA ON AUGUST 11 OPENED THE FIRST MEETING OF THE NEW CENTRAL COMMITTEE SINCE THE CONCLUSION OF THE PARTY CONGRESS AT WHICH IT WAS ELECTED. THE PLENUM. DRIGINALLY SCHEDULED FOR AUGUST 8. HAD BEEN POSTPONED DN AUGUST 6. APPARENTLY IN CONNECTION BITH KANIA'S ILLNESS. ANNOUNCED THE NEXT DAY BY INTERPRESS. ACCORDING TO RELIMINARY REPORTS: KANIA DREW ATTENTION IN HIS OPENING SPEECH TO THE MDIFFICULT AND TENSEM SITUATION AND CALLED FOR A RETURN TO PEACE IN THE STREETS. HE SAID THERE WAS NO MORE ROOM FOR MANEUVER AND THAT IT WAS TIME FOR ENERGETIC ACTION TO CURB STRIKES AND SOCIAL ANARCHY. DEPUTY PREMIER OBODOWSKI THEN DELIVERED A GLODMY REPORT ON THE ECONOMY AND BLAMED SOLIDARITY IN MANY CASES FOR

6. (LOU) UNION MEETS: SOLIDARITY'S NATIONAL COORDINATING COMMITTEE BEGAN A TWO-DAY SESSION IN GDANSK DN AUGUST 10. THE MEETING. WHICH WAS EXPECTED TO PRODUCE HEATED DEBATE AMONG THE UNION'S VARIOUS FACTIONS. WAS TO MEAR A REPORT ON THE PREVIOUS WEEK'S STALEMATED TALKS WITH THE GOVERNMENT AND SPELL OUT THE UNION'S OWN ECONOMIC REFORM PLAN. STANISLAW CIUSEK, MINISTER FOR TRADE UNION AFFAIRS. PARTICIPATED IN THE FIRST DAY'S SESSION AND DISCUSSED ECONOMIC REFORM PROPOSALS. HE LATER SAID THAT "SOME GOOD WORK" HAD BEEN DONE AND THAT HE WAS LEAVING WITH "QUITE POSITIVE THOUGHTS." ON AUGUST 11 THERE WERE REPORTS THAT SOLIDARITY HAD ASKED NEW PRIMATE JOZEF GLEMP TO MEDIATE BETWEEN IT AND THE GOVERNMENT.

BLOCKING GOVERNMENT INITIATIVES TO RESOLVE THE CRISIS.

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PUBLIC FIGURES.

- 7. (LOU) ANTI-CRISIS HEADQUARTERS: PREMIER JARUZELSKI AUGUSTAANNOUNCEDTHE ESTABLISHMENT OFAJOINTCIVILIAN-MILITARY CRISIS STAFF HEADED BY DEPUTY PREMIER JANUSZ DBODDWSKI. IT INCLUDES REPRESENTATIVES OF THE INTERIOR AND DEFENSE MINISTRIES. AMONG ITS DUTIES WILL BE TO HELP COPE WITH THE FOOD SUPPLY CRISIS AND TO ENSURE THE MCONDITIONS FOR THE FUNCTIONING OF THE ECONOMIC AND DEFENSE INFRASTRUCTURE.* WARSAW RADIO ANNOUNCED THE SAME DAY THE FIRST SCATTERED ARRESTS BY SOLDIERS IN THE CAM-PAIGN AGAINST SPECULATION.
- B. (C) TALKS BREAK OFF: AS POLAND'S ECONOMIC DECLINE REACHED ITS WORST STAGE TO DATE UNION-GOVERNMENT NEGOTIATIONS ON MEAT RATION CUTS. PRICE REFORM AND WORKERS SELF-MANAGEMENT RESUMED AUGUST 6 AFTER THE PREVIOUS DAY'S DIDELY PUBLICIZED TWO-HOUR WARNING STRIKE IN WARSAW. WE TALKS. HOWEVER. ENDED LATE THE SAME NIGHT WITH NO IGNED AGREEMENT. THE CIRCUMSTANCES SURROUNDING THE BREAKUP AND THE BITTER ACCUSATIONS AFTERWARDS REMAIN MURKY. A GOVERNMENT STATEMENT. WHICH IMPLIED THAT TOUGH MEASURES WOULD BE TAKEN TO PREVENT MANARCHYM. REFLECTED BOTH FRUSTRATION AT NOT BEING ABLE TO COME TO AN AGREEMENT AND DETERMINATION NOT TO COMPROMISE MUCH FURTHER.
- 9. (LOU) A SOLIDARITY STATEMENT DISMISSED THE GOVERNMENT'S CHARGE THAT THE UNION HAD UNILATERALLY BROKEN OFF THE TALKS. BUT IN AN APPARENT EFFORT TO CALM TEMPERS. THE UNION APPEALED TO LOCAL BRANCHES NOT TO TAKE FURTHER ACTION UNTIL AFTER THIS WEEK'S GDANSK MEETING. DESPITE THE APPEAL. PROTEST PLANS PROCEEDED IN NUMEROUS LOCALITIES. NEARLY A MILLION SOLIDARITY MEMBERS IN SILESIA-INCLUDING MINERS-STAGED A FOUR-HOUR WARNING STRIKE ON AUGUST 7. A TELEVISED DEBATE BETWEEN UNION LEADER WALESA AND DEPUTY PREMIER RAKOWSKI. THE GOVERNMENT'S CHIEF NEGOTIATOR. MAY BE HELD AUGUST 12.
- 10. (LOU) REGIME HANGS TOUGH! PREMIER JARUZELSKI. AT AN AUGUST 10 CABINET SESSION IN WARSAW. DISCUSSED UNSPECI-

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FIED MEASURES TO BOLSTER LAW AND ORDER AND TO STOP FURTHER DEMONSTRATIONS THREATENING "PUBLIC PEACE AND NATIONAL SECURITY." JARUZELSKI OBJECTED ESPECIALLY TO THE PLANNED MARCH ON WARSAW NEXT WEEK TO PROTEST THE DETENTION OF POLITICAL PRISONERS. HE BLAMED MEXTREMIST AND ADVENTURIST-MINDED" ELEMENTS IN SOLIDARITY FOR THE BREAKDOWN OF THE PREVIOUS WEEK'S TALKS. HE SAID THE GOVERNMENT WANTED AGREEMENT WITH THE UNION. BUT NOT AT THE COST OF MENFEEBLING" ITS DWN AUTHORITY. SOCIALIST RENERAL. SAID JARUZELSKI. INCLUDED STRUGGLE AGAINST THE *FORCES OF ANTI-STATE DESTRUCTION...BY MEANS OF ALL INDISPENSABLE LAWFUL MEASURES."

- 11. (LDU) PATIENCE WARING THIN: ON AUGUST B. PACT COMMANDER MARSHAL KULIKOV HELD A "CORDIAL AND FRIENDLY" MEETING IN WARSAW WITH PREMIER JARUZELSKI AS THE ARMY DAILY ZOLNIERZ WOLNOSCI SUGGESTED HIS GOVERNMENT'S MEXTREME PATIENCEM MAY HAVE RUN DUT. TWO DAYS BEFORE. HE PAPER HAD WARNED MENEMIESH NOT TO BE DELUDED BY THE EGIME'S "PRUDENT TACTICS" OF COMPROMISE AND DIALOGUE. IT ATTACKED THE RECENT US HOUSE OF REPRESENTATIVES RESOLUTION ON POLAND AND SAID THAT THERE WAS A LINK BETWEEN THE RESOLUTION'S WARNING AGAINST INTERNAL REPRESSION AND THE HUNGER PROTESTS WHICH SURGED AT THE TIME. CHARGING THAT "HAWKS" IN SOLIDARITY AND KOR WERE ENGAGED IN A STRUGGLE FOR POLITICAL POWER. THE PAPER WARNED THAT IF NECESSARY: "ALL POSSIBLE MEANS" WOULD BE USED TO DEFEND SOCIALISM. FOR WHICH. IT SAID. "THE PRICE IS NEVER TOO HIGH."
- 12. (LOU) OVER THE WEEKEND. THE GOVERNMENT RELEASED A BARRAGE OF DOCUMENTS DESIGNED TO PORTRAY IT AS FIRM BUT REASONABLE IN ITS TALKS WITH SOLIDARITY. THEY INCLUDED DEPUTY PREMIER RAKOWSKI'S AUGUST 3 OPENING STATEMENT AND THE COMMUNIQUE WHICH SOLIDARITY REJECTED ON AUGUST 6. IT ALSO ANNOUNCED THAT PARTICIPANTS IN THE DEMONSTRATIONS AND STRIKES OF THE PREVIOUS FEW DAYS WOULD NOT RECEIVE STRIKE PAY. THE PRO-REGIME BRANCH TRADE UNIONS ISSUED A STATEMENT DEMANDING THAT THE GOVERNMENT "PUT AN END" TO THE "OPEN PROVOCATIONS" OF "EXTREME FACTIONS" IN SOLIDARITY.

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13. (C) RIFTS IN SOLIDARITY: IN ADDITION TO REFLECTING GENUINE FRUSTRATION. THE REGIME'S TOUGH POSTURING MAY BE AIMED AT INFLUENCING POLITICKING IN SOLIDARITY. VARIOUS REGIME STATEMENTS INDICATE THAT IT PERCEIVES A FACTIONAL STRUGGLE GOING ON WITHIN THE UNION. WITHE EXTREMISTS SEEKING TO IMPROVE THEIR STANDING BY BAITING THE GOVERNMENT AND FORCING IT TO RETREAT. BY STANDING FAST. THE REGIME MAY BE SEEKING TO BOLSTER THE MODERATES LED BY WALESA. THE REGIME'S CAMPAIGN HAS PROBABLY ALSO BEEN MEANT TO CREATE A CLIMATE OF FIRMNESS BEFORE THE CENTRAL COMMITTEE PLENUM. AS WELL AS TO IMPRESS THE SOVIETS BEFORE A POSSIBLE FORTHCOMING MEETING BETWEEN KANIA AND BREZHNEY.

14. (C) SOVIET REACTION: RECENT SOVIET REPORTS HAVE BEEN DRAWN MAINLY FROM OFFICIAL POLISH SOURCES. OFTEN REPLAYING STATEMENTS AND ARTICLES VIRTUALLY VERBATIM. THE SOVIET MEDIA ARE PORTRAYING EXTREME ELEMENTS IN

SOLIDARITY AS SOWING CHAOS TO PROMOTE THEIR STRUGGLE FOR POWER! THE POLISH REGIME. ON THE OTHER HAND. IS PICTURED AS RESPONSIBLY TRYING TO LEAD THE COUNTRY OUT OF ITS CRISIS. HAIG

END OF MESSAGE